

# LETTER FROM THE CHIEF FINANCIAL OFFICER

I am pleased to present the Department of the Interior's fiscal year 1998 Departmental Report on Accountability prepared under a pilot program authorized by the Government Management Reform Act of 1994.

Over the past year, Interior has made significant progress toward my three goals: ensuring accountability to the public in the use of Federal resources, building a diverse Department that is reflective of the strength and creativity of all America's people, and creating a quality workplace that will attract and retain the best and the brightest workforce. Achieving these goals must be our highest priority as we accomplish our mission of stewardship over the Nation's vast public lands and resources, serve the public with care and respect, and provide for economic development with balance and integrity.



## *Being Accountable to the Public*

*Planning for Quality Results:* Accountability begins with a clear understanding of our mission and a plan to achieve that mission. In 1997, the Department of the Interior published its first strategic plan under the Government Performance and Results Act (GPRA), and in February of 1998 the Department submitted its first annual performance plan to Congress along with the President's budget. That plan includes performance measures for the Department and for individual bureaus within the Department.

We have learned over the past year the importance of a clear focus in the plan. Our strategic plan has been streamlined from its original 10 common themes to 5 broad goals that define the Department's mission: protecting the environment and preserving our Nation's natural and cultural resources; providing recreation for America; managing natural resources for a healthy environment and a strong economy; providing science for a changing world; and meeting our responsibilities for American Indians. We are now measuring our performance in each of these areas.

*Addressing Year 2000 Computer Issues:* Much has been written about the impending disaster that will befall organizations—both public and private—whose computer systems treat a double zero as signifying the year 1900 rather than 2000. Given our reliance on computers, the failure of systems to operate properly can mean anything from minor inconveniences to major problems. The dimensions of this challenge are enormous and we are well on the way to resolving these issues for the Department. I am pleased to state that as of March 31, 1999, we have corrected and tested 100 percent of our mission critical systems.

*Obtaining and Maintaining Unqualified Audit Opinions:* Maintaining integrity in financial management activities demands that we maintain unqualified (clean) audit opinions on the Department's consolidated financial statements as well as achieving unqualified audit opinions on all individual bureau financial statements. Following the intent of the Chief Financial Officers Act, all bureaus have been preparing annual financial statements since 1994. As of March 31, 1999, five bureaus had received unqualified audit opinions on their financial statements for fiscal year 1998. The Department began preparing a Departmental Accountability Report beginning in 1996. We are proud that for fiscal year 1998, the Department received its second unqualified audit opinion on the Consolidated Financial Statements published in the Department's Accountability Report.

*Investing in Maintenance:* The Department is steward to about one sixth of the land mass of the United States and manages an extensive infrastructure—which includes buildings, dams, vehicles, equipment, and aircraft.

This infrastructure must be maintained to ensure safety for those who visit, live, or work in our Nation's parks, refuges, fish hatcheries, and other facilities, as well as for those students who attend Indian schools.

Thanks especially to Chairman Ralph Regula, funding was obtained for fiscal year 1999 to address many of Interior's infrastructure needs and we developed for the first time, a five-year construction and maintenance plan in support of the fiscal year 2000 budget for each bureau. Additionally, a Deferred Maintenance Working Group developed strategy and guidelines for tracking deferred maintenance and for improving the management of maintenance and construction funds; this plan is now being implemented.

*Streamlining Administrative Support:* Streamlining administrative support is critical for ensuring that program managers are able to focus their efforts on mission goals. Steps are being taken to consolidate three Service Centers into one consolidated operation, the National Business Center. This operation should provide support to the Department, its bureaus and other customers in the most efficient manner possible. The Department is also moving aggressively to consolidate its travel, purchase, and fleet charge card support under a new relationship with NationsBank.

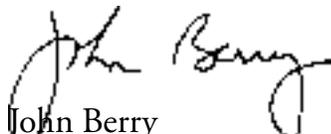
### ***Building a Diverse Department***

During the past year Interior developed a strategic plan to improve our workforce diversity. The vision of the plan is to establish a Departmental workforce that is reflective of the Nation at all levels and in all occupations; a workplace where the quality of work life is valued; and there is an environment open and accepting of individual differences and where all employees are encouraged to maximize their potential and make a commitment to provide quality service to customers. Inherent in this five-year plan is the understanding that managing for diversity entails a comprehensive process for developing a workplace environment that is productive for all employees. Building a truly diverse Department is essential if we are to meet the demands of our mission into the next century. We will be measuring progress over the years to come.

### ***Creating a Quality Workplace***

The quality of the workplace is critical if employees are to perform their tasks and functions effectively and efficiently. During 1998 we created a quality of life task force and established a series of projects to improve the quality of the workplace in Washington D.C. as a leadership example for the Department. We upgraded our family care center for employees to bring children or elders to work in an enjoyable environment; the Main Interior Building health room was reopened to provide employees with easy access to health care; the rooftop terrace was opened so that employees can enjoy fresh air and the spectacular view of the city during warmer weather; the gym was renovated in cooperation with the Interior Department Recreation Association; and we modernized the employee snack bar and cafeteria. In addition to these improvements, I have asked all bureau and office heads to develop quality of life plans for each office around the country. All employees, regardless of their duty station, are entitled to a friendly, safe, and satisfying work environment.

March 3, 1999, marks the 150th Anniversary of the Department. Throughout the year we will be holding events to recognize our outstanding employees, to educate the public about the services we provide, and to celebrate our service to the Nation. Although I am very proud of the progress and success presented in this report, there is much to be accomplished. The Department will continue to provide sound management of the resources under our stewardship, respond positively to the needs and concerns of the public, and demand quality results in meeting the challenges before us.

  
John Berry  
Chief Financial Officer